

The Business Advocate



A newsletter for State Contracting and Purchasing Officials, Small Business Advocates, Small Businesses & Disabled Veteran Business Enterprises

In this issue:

Governor Davis Orders State Agencies to Increase DVBE Contracting

Governor Gray Davis, on June 28, 2002 ordered the Department of General Services (DGS) and the Department of Veterans Affairs (DVA) to improve California's record in granting state contracts to Disabled Veteran Business Enterprises (DVBEs).

Last year, Governor Davis issued an Executive Order that not only outlined a strategy to include more disabled veterans in state contracts, but also mandated a statewide three percent DVBE participation level. One year later, DVBE participation level has reached 1.8 percent – a slight improvement.

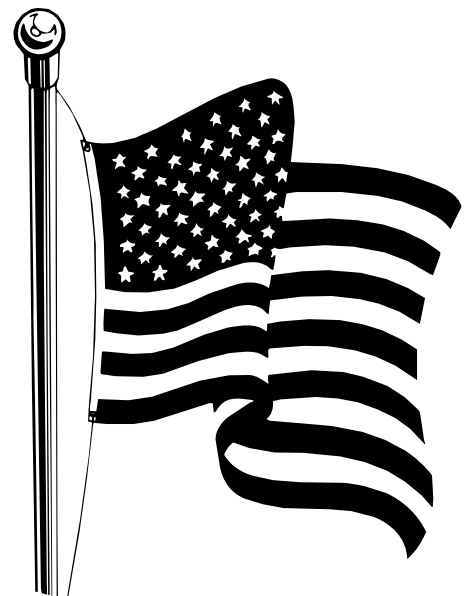
Governor Davis stated, "I'm disturbed to learn that one year after my order we haven't made more progress toward reaching the three percent goal. I am now ordering an intensive effort to improve those numbers beginning immediately."

As stated in Governor Davis' Press Release, the following changes are to be implemented immediately:

- Move outreach resources for DVBEs from the Department of General Services to the Department of Veterans Affairs;
- Direct the Small Business Advocate to assist in developing an outreach strategy for DVBEs and assist in its implementation;
- Support legislation that sets aside a five percent preference for certified DVBEs;
- Require monthly departmental progress reports effective August 1, 2002; and
- Direct the State and Consumer Services Agency to monitor and ensure compliance of monthly reporting.

Governor Davis also stated, "Veterans sacrificed so much to protect and keep all Americans safe. I expect California's state agencies and departments to answer my call to include veteran businesses in state contracts the same way California's veterans answered their call to their country."

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Clothilde Hewlett Appointed as Interim Director of the Department of General Services

Governor Gray Davis announced, on April 29, 2002, the appointment of Ms. Clothilde Hewlett as Interim Director of the Department of General Services (DGS). The DGS oversees California's multibillion-dollar real estate assets, purchasing systems, publishing and telecommunications, transportation services, school construction, insurance and risk management, allocation of school bond monies, and adjudicating claims for the state. Ms. Hewlett also serves on numerous and significant state boards and commissions such as: the California Victims Compensation and Government Claims Board as well as the State Allocation Board. Under Ms. Hewlett's leadership, the DGS continues to ensure quality; cost-conscious, timely assistance and support to public agencies so they can efficiently deliver needed services to the citizens of California.

Ms. Hewlett has served as and remains the Undersecretary of the State and Consumer Services Agency, since 1999. The State and Consumer Services Agency oversees 12 departments, including the DGS. Prior to her appointment as Undersecretary, Ms. Hewlett served as Director of Moral Character Determinations for the State Bar of California. In that capacity, she was responsible for the investigation and litigation of all applicants for admission to practice law in California based on moral character. Ms. Hewlett is a former San Francisco Police Commissioner who served from 1992 to 1997. In that capacity, she reviewed and approved procedures for dignitary protection, intelligence and police officer involved shootings. Ms. Hewlett also served on the California Council on Criminal Justice and was Chairperson of the Appeals Committee. She was a San Francisco Assistant District Attorney from 1980 to 1991 and served as a Supervisor of the San Francisco Municipal Court Trial Division. As a Principal Trial Attorney, Ms. Hewlett successfully prosecuted juveniles who had committed serious crimes, and adult career criminals. Previously, she was a San Francisco District Attorney Investigator.

Ms. Hewlett earned a Bachelor of Arts degree from the University of California, Berkeley, and a Juris Doctorate degree from Boalt Hall Law School.

The Department of General Services, Procurement Division's Office of Small Business Outreach and Education

The Office of Small Business Outreach and Education within the Department of General Services, Procurement Division has been in existence now for four years. This office is responsible for the Small Business Advocate function, promotes contract participation with small businesses, and provides informational outreach specifically related to the small business community. This past year, they have significantly increased their outreach efforts for both the state's Small Business Program and the Disabled Veteran Business Enterprise (DVBE) Program, which has resulted in a 49.5% increase in the total number of certified firms. This office, until recently, was marketing both the Small Business and DVBE Programs. However, Governor Davis issued a press release on June 28, 2002, ordering that DVBE outreach immediately be transferred from the Department of General Services to the Department of Veterans Affairs.

Consisting of 11 staff persons, this group travels throughout the State of California, conducting training classes and workshops as well as attending conferences and tradeshows to market the state's Small Business Program and promote the many contracting opportunities that are available with state government for small business vendors.

This office offers free training classes to the business community on a statewide basis. These training classes have been designed especially for business owners who want to do business with the state. *The Business Community Workshop (BCW)*, a two-hour course, introduces the attendees to the vast contracting opportunities offered by the State of California. In addition, this office offers *The Business Community Training (BCT)*, a two-day class providing "Tips for the Competitive Edge in State Contracting" and facilitating understanding of the contracting process. The training agendas are tailored to enhance the contracting partnerships between the state and the business.

Additional training is offered to state employees who work in the procurement field. *State Agency Training (SAT)*, a three-day course, introduces state procurement officials to the state contracting process and the various participation and preference programs within the State of California. For additional information and to register for one or more of the above training classes, you may visit the Procurement Division website at www.dgs.ca.gov/pd.

This office continues to provide outreach and education for the state's Small Business Program on an ongoing basis, and looks forward to another successful year of helping to bring in more certified firms!



Landmark 10,000 Small Businesses /DVBEs Certified by the State of California

In April 2002, the State of California achieved a landmark 10,000 certified firms – a mix of Small Businesses (SBs) and Disabled Veteran Business Enterprises (DVBEs) – representing an almost 50 percent surge for this year alone! The 10,000th certified firm is a small business, Larry Whitted & Associates. This Fresno firm mediates workplace, agricultural, business, and educational disputes in the San Joaquin Valley.

California's Small Business Program was established by law in 1973. Later, in 1989, the state set a goal of awarding three percent of all state contracts to certified DVBEs. Until last year, certifications remained at a constant level at between 4,600 and 5,000 firms. By July 1, 2002, certifications grew to 10,698 and represent 9,866 SBs, 363 DVBEs, and 496 SB/DVBE firms from the manufacturing, non-manufacturing, service, and construction industries.

Two Executive Orders (EO) issued by Governor Davis are credited for the record-setting number of certified firms. Governor Davis issued EO D-37-01 on May 13, 2001 to make contracting with California's small businesses a priority for his administration. As most state agencies had not met the goal of awarding three percent of contracts to DVBEs, the Governor issued EO D-43-01 on June 22, 2001 to better promote DVBE state contracting opportunities "to the greatest extent possible."

The Small Business Council (SBC) is instrumental as well in the increasing number of certified firms. The members of the SBC, consisting of representatives from 24 small and large businesses, as well as state, city, and local government agencies, streamlined both the small business and DVBE certification application from a 31-page document to a one two-sided page document.

SB and DVBE outreach has significantly increased as well. The Office of SB Outreach and Education staff has been traveling throughout California to market the state's procurement programs by attending various conferences and tradeshow as well as conducting training classes and workshops for SB and DVBE business owners on contracting with the state. By attending these classes and workshops, business owners become aware of SB and DVBE certification and the benefits of being a state-certified business, and also more knowledgeable with the state's procurement process and the many contracting opportunities that the state has to offer.

State agencies and departments are making every effort to help make it easier for SBs and DVBEs to do business with the state. The state is looking forward to another record-breaking year in certifications with small and DVBE businesses.

A Great Opportunity for Small Businesses and DVBEs – Teale Vendor Presentations

To promote the Small Business and Disabled Veteran Business Enterprise (DVBE) Program in state government, the Teale Data Center (Teale) sponsors a series of monthly Small Business/DVBE Vendor Presentations. This event is aimed at providing a monthly forum in which small business and DVBE vendors have the opportunity to present an overview of their products and/or services with staff from various state agencies and departments during a 10-15 minute presentation, followed by a question and answer session.

Each event takes place on the second Thursday of every month in downtown Sacramento. It features a morning session, which includes presentations from commodity and non-Information Technology (IT) vendors, and an afternoon session, which includes IT vendors. As of June 2002, approximately 100 small business and DVBE vendors have made presentations to approximately 300 state staff. This successful event has created opportunities not only for the small business and DVBE vendor community, but also for state departments.

Teale staff have received numerous positive comments from vendors and state staff regarding the new contacts and procurement opportunity exchanges as a result of the event. Vendors appreciate the ability to address 10-12 different state departments in one short presentation. State staff appreciates the informal question and answer session and the ability to ascertain if a vendor can meet their procurement needs. Most significant is the opportunity that the small business and DVBE vendors have to partner with fellow vendors.

Event and contact information, both for state staff wishing to register for the event and vendors wishing to be scheduled as presenters, can be located at the Teale website at www.teale.ca.gov under *Small Business and DVBE Opportunities*. A list of past vendor presenters is also maintained on the website and the dates of future events are listed. Teale has responded to suggestions from both vendors and state staff and continues to solicit any comments that would help to improve this event.

New Reporting Requirements in Effect

Assembly Bill (AB) 1084 authored by Assembly Member Wesson, was signed by Governor Gray Davis on October 13, 2001. This bill requires all awarding agencies and departments to report to the Governor and the Legislature on the level of participation of business enterprises with which they contract by race, ethnicity, and gender of the owner. The report shall include participation of all contracts in the categories of goods, services, construction, as well as all contracts for a dollar amount of less than twenty-five thousand dollars (\$25,000).

On July 1, 2002, the Department of General Services (DGS) began to use the following forms to capture and report the required information: Voluntary Statistical Data Sheet (VSDS) and Ethnicity/Race/Gender Business Ownership Report (ERG). The VSDS is a data collection sheet to be completed by business owners to provide information regarding the ownership of their business based on ethnicity, race, and gender. Each time a contract award or purchase is made the VSDS will be sent, along with a self-addressed envelope to the business of which the award or purchase was made. It is mandatory for awarding agencies and departments to mail these forms to the businesses; however it is *strictly voluntary* that the businesses comply. The ERG is

a report that must be submitted by all department State Contracting and Purchasing Officials and CAL-Card holders who are awarding contracts and/or making purchases. The information contained in these reports is obtained from the responses indicated on returned VSDS'. The information in these reports will be used for reporting purposes only.

If you should have any questions regarding this new reporting requirement, please contact the awarding agency and/or department.

DVBE Outreach Efforts to be Transferred from the Department of General Services to the Department of Veterans Affairs

On June 28, 2002, Governor Gray Davis issued a press release, which ordered state agencies to increase DVBE contracting. Also included in this press release was an order for Disabled Veteran Business Enterprise (DVBE) outreach efforts to be transferred from the Department of General Services (DGS) to the Department of Veterans Affairs (DVA). However, all education pertaining to DVBE contracting will remain the responsibility of the DGS. For more information regarding DVBE outreach events and other outreach efforts, please contact Glen Halsey at (916) 503-2001, Joe Barajas at (916) 503-8375, or Marty Sengo at (916) 503-8383.

Running a successful business means making every dollar count, and cutting back on unnecessary energy use is an easy way to keep your hard-earned money working for you. These tips are designed to help you target your energy-saving efforts for maximum value and impact.



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Energy Saving Tips for the Office...

- Turn up your thermostat to 78 degrees during business hours, and up to 85 degrees – or off – when your office is closed
- Reduce your lighting
- Be energy smart with office equipment
- Use shades and blinds

Good Energy Saving Investments...

- Retrofit lighting
- Weatherize buildings
- Buy Energy Star[®] Products

Inexpensive Energy Solutions...

- Install efficient lighting
- Use “smart” power strips
- Choose the smallest monitor

Sonya Blake Appointed as Director of the Governor's Office of the Small Business Advocate

Governor Gray Davis announced, on February 25, 2002 the appointment of Ms. Sonya Blake as Director of the Governor's Office of the Small Business Advocate.

As the first-ever Small Business Advocate within the Governor's Office, Ms. Blake protects the interests of small business concerns in order to preserve free competitive enterprise and maintain a healthy state economy. Ms. Blake represents the views and interests of small business before state agencies whose policies and activities may affect small business. She enlists the cooperation and assistance of public and private agencies, businesses and other organizations in disseminating information about programs and services provided by state government. She also serves as the Chair of the Small Business Reform Task Force.

Prior to her appointment, Ms. Blake was the Executive Director and Chief Executive Officer of the National Association of Women Business Owners – Los Angeles Chapter (NAWBO-LA). She was the Executive Director of the Santa Monica College Foundation, Director of Corporate Gifts for the Los Angeles County Museum of Art, and the Assistant Dean of the University of Southern California's School of Fine Arts.

Ms. Blake earned a Bachelor of Arts degree from Yale University, and a Master of Business Administration degree from University of California, Los Angeles Anderson School of Management.

She resides in Los Angeles with her husband, Stephen.

Impression Technology, a Certified Small Business Benefits from State Contracting

Impression Technology is a California certified small business headquartered in Walnut Creek, and one of the primary factors in its growth and success has been its long-standing relationship with the California Employment Development Department (EDD). Founded in 1997 by three senior engineers from the SHL Systemhouse Technology Network, Impression Technology is a software and consulting firm that focuses exclusively on mission critical, high volume, automated data capture systems.

In 1998, Impression Technology supplied its automated data capture solution (iCapture) as a part of the EDD's Tax Engineering and Modernization (TEAM) project to re-engineer and provide advanced technologies in the processing of over 24,000,000 tax forms and the collection of approximately \$31 billion annually for the state.

Working closely with the EDD staff, Impression Technology provided a system that reduced the annual cost of data entry operations by approximately 40 percent while eliminating the backlog of information traditionally seen during peak filing periods. The success of this project resulted in the implementation of a solution that provided the EDD with the ability to use newer technology in the processing of state-mandated New Hire Reports.

Impression Technology continues to work with the EDD, most recently by providing software and services to "Internet enable" the complete TEAM system and by automating the processing of the thousands of faxes that the department receives weekly.

As a California certified small business, Impression Technology has benefited significantly through its partnership with the EDD. This relationship, and the success of the projects, has enabled Impression Technology to propose similar solutions for other state agencies.



Department of Parks and Recreation Takes the Gold!

The third annual State Agency Recognition Awards ceremony took place at Vizcaya in Sacramento, California on October 3, 2002. Six departments were recognized for employing “best practices” to foster California small business and Disabled Veteran Business Enterprise (DVBE) participation in their purchasing programs.

The Gold Award was presented to the Department of Parks and Recreation for employing a number of practices that have significantly increased small business and DVBE participation within their department, which includes a DVBE participation requirement in almost all bid packages, and encouraging small business and DVBE participation through their customer service program.

The Silver Award was presented to the Department of Motor Vehicles (DMV) for a number of outstanding developments, including the Small Business Resource Kit, DVBE Contract Notification Letter, and small business outreach promotional materials.

The Bronze Award was presented to four state agencies including:

California State University, Long Beach (CSULB) for hosting their annual CSULB Opportunities Day (OPS), which consists of a one-day educational and networking event for small businesses and DVBEs interested in doing business with the state;

The Department of Corrections, Centinela State Prison for implementing stricter guidelines for purchases made for the institution than mandated by the Department of General Services;

The Department of Corrections, High Desert State Prison for strongly encouraging their large prime contractors to work directly with small businesses and DVBEs to increase their sales potential, while at the same time, helping the state meet their small business and DVBE participation goals; and

The Department of Veteran Affairs (CDVA) for implementing new and effective business practices designed to increase small business and DVBE participation in the department’s contracting and purchasing process.

For more detailed information regarding “best practices” implemented by the recipients of this year’s awards, please visit the Procurement Division website at www.dgs.ca.gov/pd under SB and DVBE Outreach and Education.

A big congratulation goes out to all recipients of this year’s awards! We hope to continue to succeed in our efforts in promoting increased contracting opportunities for California small businesses and DVBEs in the years to come. We look forward to seeing you at the fourth annual State Agency Recognition Awards ceremony to take place next year. Please note this event is by invitation only.

Way to Go!

“The Business Advocate”
is available to view or download at the
Procurement Division website at
www.dgs.ca.gov/pd under “Small Business”

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